BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy KoppendrayerChairEllen GavinCommissionerMarshall JohnsonCommissionerPhyllis A. RehaCommissionerGregory ScottCommissioner

In the Matter of a Petition for Extended Area Service from Kabetogama/Ray to International Falls ISSUE DATE: March 12, 2003

DOCKET NO. P-407/CP-99-1298

ORDER REQUIRING IMPLEMENTATION OF EAS FROM KABETOGAMA/RAY EXCHANGE TO THE INTERNATIONAL FALLS LOCAL CALLING AREA

PROCEDURAL HISTORY

On September 7, 1999, telephone subscribers in the Lake Kabetogama/Ray exchange filed a petition seeking extended area service (EAS) to the International Falls exchange. The petition signed by the Kabetogama/Ray subscribers specifically requested EAS from Kabetogama/Ray to International Falls and Ranier. All of these exchanges are currently served by Citizens Telecommunications of Minnesota (Citizens).

On January 12, 2000, the Commission issued an Order finding that the proposed EAS route met the requirements of adjacency and traffic volume and required a cost study and proposed EAS rates.

On March 13, 2000, Citizens filed the required cost study and proposed rates. The cost study was restricted to the costs of implementing EAS between Kabetogama/Ray and International Falls.

On October 23, 2001, the Commission issued its ORDER SETTING EAS RATE ADDITIVES AND REQUIRING POLLING, in which the Commission approved EAS rates for polling Kabetogama/Ray subscribers and also approved rates for International Falls. The rates approved

¹ The Commission approved a monthly residential EAS rate of \$4.01 and a business monthly EAS rate of \$8.03 for polling the Kabetogama/Ray subscribers. For International Falls the Commission approved a residential monthly EAS rate of \$0.17 and a business

by the Commission were based on the costs of establishing EAS between Kabetogama/Ray and International Falls.

Polling of subscribers in Kabetogama/Ray took place between February 6 and March 25, 2002. The informational brochure enclosed with the ballot indicated that the EAS that was the subject of the balloting was from Kabetogama/Ray to International Falls.

In its June 6, 2002 ORDER CERTIFYING POLLING RESULTS AND REQUIRING IMPLEMENTATION, the Commission approved the Kabetogama/Ray to International Falls EAS route and ordered Citizens to implement the route.

The EAS between Kabetogama/Ray and International Falls was implemented on December 6, 2002. The exchanges of Ericsburg and Ranier were not included in the EAS calling area.

On January 3, 2003, some Kabetogama/Ray subscribers expressed to the Commission their concerns that they were not able to call Ranier toll-free.

This matter came before the Commission on February 27, 2003.

FINDINGS AND CONCLUSIONS

I. Background

International Falls is not contiguous to Kabetogama/Ray. Kabetogama/Ray is adjacent to Ericsburg, which is adjacent to International Falls. Ranier, located slightly northeast of International Falls, is adjacent to International Falls. International Falls, Ericsburg and Ranier collectively form a local calling area (LCA).

In its January 12, 2000 ORDER REQUIRING COST STUDIES AND PROPOSED RATES, the Commission addressed the issue of whether the petition filed with the Commission requesting EAS from the Lake Kabetogama/Ray exchange to the International Falls exchange met the adjacency requirement. The Commission, recognizing that the Kabetogama/Ray exchange was adjacent to the International Falls local calling area, determined that the petition for EAS would be taken as a request for EAS between the Lake Kabetogama/Ray exchange and the International Falls local calling area, thereby meeting the adjacency requirement.

II. Citizen's Proposal

Citizens proposed that Ericsburg and Ranier be included in the Kabetogama/Ray calling area at no extra charge to the Kabetogama/Ray subscribers. Subscribers in Ericsburg and Ranier would pay the

monthly EAS rate of \$0.35.

same monthly EAS rate approved by the Commission for the International Falls subscribers for calling to Kabetogama/Ray, which is \$0.17 for residential subscribers and \$0.35 for business subscribers.

III. Commission Action

The Commission finds Citizens proposal reasonable and will require Citizens to implement EAS between Kabetogama/Ray to the local calling area of International Falls, which includes International Falls, Ericsburg and Ranier, at no additional charge to Kabetogama/Ray subscribers. Further, the EAS monthly charge to subscribers in Ericsburg and Ranier shall be the same as the EAS monthly charge to International Falls subscribers previously approved by the Commission.

ORDER

- 1. Citizens shall implement EAS from Kabetogama/Ray to the local calling area of International Falls, Ericsburg and Ranier at no additional charge to Kabetogama/Ray subscribers, other than the EAS charges previously established, by June 1, 2003.
- 2. Citizens shall charge Ranier and Ericsburg subscribers the same monthly EAS rates paid by the International Falls subscribers for calling the Kabetogama/Ray exchange.
- 3. Citizens shall submit, for Commission staff review, tariff sheets and the proposed notice to subscribers in Kabetogama/Ray, Ranier and Ericsburg of the proposed implementation of EAS and the EAS rates.
- 4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar Executive Secretary

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